STATEMENT OF
ANNUAL FINANCIAL INFORMATION
AND OPERATING DATA
of the
MASSACHUSETTS PORT AUTHORITY
FOR FISCAL YEAR 2002

INTRODUCTION

This Statement of Annual Financial Information and Operating Data dated as of November 15, 2002 (the "Annual Disclosure Statement") of the Massachusetts Port Authority (the "Authority") is prepared and submitted in accordance with the requirements of the Continuing Disclosure Agreement, dated as of August 1, 1997 (the "Continuing Disclosure Agreement"), between the Authority and State Street Bank and Trust Company, as trustee (the "Trustee"), the Continuing Disclosure Agreement dated as of May 6, 1997 (the "PFC Disclosure Agreement") between the Authority and The Bank of New York, as dissemination agent, and the Trust Agreement dated as of May 1, 1997 between the Authority and the Trustee relating to the BOSFUEL Bonds (as defined below). Set forth below is certain financial information and operating data relating to the Authority for the fiscal year ended June 30, 2002 ("fiscal year 2002") updating the financial information and operating data presented in the Authority's Official Statement dated November 12, 1999 (the "1999 Official Statement") and the Authority's Statement of Annual Financial Information and Operating Data dated as of November 19, 2001 (the "2001 Annual Disclosure Statement"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the 1999 Official Statement. The Authority's Comprehensive Annual Financial Report dated November 15, 2002 (the "CAFR") for fiscal year 2002 is incorporated herein by reference. The Authority's audited financial statements for fiscal year 2002 and comparative information for fiscal year 2001, prepared in accordance with generally accepted accounting principles ("GAAP"), with a report thereon by PricewaterhouseCoopers LLP, independent public accountants, are also included as part of the CAFR. The 1999 Official Statement and the 2001 Annual Disclosure Statement are each on file with each Nationally Recognized Municipal Securities Information Repository ("NRMSIR").

This Annual Disclosure Statement applies to the following Series of Bonds issued by the Authority (collectively, the "Bonds"):

Massachusetts Port Authority Revenue Bonds, Series 1999-C (Non-AMT)
Massachusetts Port Authority Revenue Bonds, Series 1999-D (AMT)
Massachusetts Port Authority Revenue Refunding Bonds, Series 1998-A (Non-AMT)
Massachusetts Port Authority Revenue Refunding Bonds, Series 1998-B (AMT)
Massachusetts Port Authority Taxable Revenue Refunding Bonds, Series 1998-C
Massachusetts Port Authority Revenue Bonds, Series 1998-D (Non-AMT)
Massachusetts Port Authority Revenue Bonds, Series 1998-E (AMT)
Massachusetts Port Authority Revenue Bonds, Series 1997-A
Massachusetts Port Authority Revenue Bonds, Series 1997-B
Massachusetts Port Authority Revenue Refunding Bonds, Series 1997-C

Massachusetts Port Authority PFC Revenue Bonds, Series 1999-A (Non-AMT)
Massachusetts Port Authority PFC Revenue Bonds, Series 1999-B (AMT)

Massachusetts Port Authority Special Facilities Revenue Bonds (BOSFUEL Project), Series 1997

The Authority has issued fifteen series of bonds pursuant to the Trust Agreement dated as of August 1, 1978, as supplemented and amended (the "1978 Trust Agreement") between the Authority and the Trustee which remain outstanding as of the date hereof. On December 29, 2000 and January 2, 2001, respectively, the Authority issued its Subordinated Revenue Bonds, Series 2000-A, 2000-B and 2000-C, and Series 2001-A, 2001-B and 2001-C, respectively, in the aggregate principal amount of $74,000,000 (collectively, the "Subordinated Revenue Bonds"). The Subordinated Revenue Bonds are payable solely from amounts on deposit in the Improvement and Extension Fund established under the 1978 Trust Agreement and in a separate account not subject to the pledge of the 1978 Trust Agreement. The Subordinated Revenue Bonds are subordinate to all of the revenue bonds issued prior to the date hereof by the Authority pursuant to the 1978 Trust Agreement.

On June 16, 1999, the Authority issued its $67,665,000 PFC Revenue Bonds, Series 1999-A (Non-AMT) and $181,690,000 PFC Revenue Bonds, Series 1999-B (AMT) (collectively, the "PFC Bonds") pursuant to a PFC Revenue Bond Trust Agreement dated as of May 6, 1999, as supplemented and amended (the "PFC Trust Agreement"), between the Authority and The Bank of New York, as trustee (the "PFC Trustee" and, with the Trustee, the "Trustees").

On August 16, 2001, the Authority issued its Special Facilities Revenue Bonds (Delta Air Lines, Inc. Project), Series 2001A, 2001B and 2001C (collectively, the "Delta Project Bonds") in aggregate principal amount of $497,585,000. On March 1, 2001, the Authority issued its Special Facilities Revenue Refunding Bonds (Harborside Hyatt Conference Center and Hotel Project), Series 2001-A (Tax-Exempt) and 2001-B (Taxable) (collectively, the "Hyatt Bonds"), a portion of the proceeds of which were applied to refund all of the Authority's outstanding Special Facilities Revenue Bonds (Harborside Hyatt Conference Center and Hotel Project), Series 1990. On December 9, 1999, the Authority issued $80,500,000 of its Special Facilities Revenue Bonds (United Airlines, Inc. Project), Series 1999A (the "United Project Bonds"). On October 21, 1999, the Authority issued its $33,120,000 Special Facilities Revenue Bonds (US Airways Project), Series 1999 (the "1999 US Airways Project Bonds") and on January 2, 1997, the Authority issued its $48,980,000 Special Facilities Revenue Bonds (USAir Project), Series 1996A (the "1997 USAir Project Bonds" and collectively with the 1999 US Airways Project Bonds, the "US Airways Project Bonds").

The Authority did not undertake any ongoing disclosure obligations in connection with the issuance of the Subordinated Revenue Bonds, the Delta Project Bonds, the Hyatt Bonds, the United Project Bonds or the US Airways Project Bonds. On May 15, 1997, the Authority issued its $111,320,000 Special Facilities Revenue Bonds (BOSFUEL Project), Series 1997 (the "BOSFUEL Bonds").

Copies of the 1999 Official Statement, the Authority's Official Statement dated June 9, 1999 relating to the PFC Bonds (the "1999 PFC Official Statement") and the Authority's Official

Statement dated May 9, 1997 relating to the BOSFUEL Bonds (together, the "Official Statements") are available from the Authority and the Municipal Securities Rulemaking Board ("MSRB"). For a more complete description of the Authority and the Bonds, reference is made to the Official Statements.

The Authority's principal office is located at One Harborside Drive, Suite 200S, East Boston, Massachusetts 02128. Its telephone number is (617) 428-2800. Questions may be directed to Leslie A. Kirwan, the Authority's Director of Administration and Finance and Secretary-Treasurer.

Annual Disclosure Statement

This Annual Disclosure Statement is of limited scope. It contains only an updating of certain financial information and operating data described below. ***Except as expressly noted, all information presented in this Annual Disclosure Statement is on the basis required under the 1978 Trust Agreement, and not on the basis of GAAP.*** For a comparison of the Authority's financial results under the 1978 Trust Agreement and GAAP, please refer to Tables S-3 and S-3A (Historical Operating Results and Debt Service Coverage Reconciliation between GAAP and the 1978 Trust Agreement) set forth in the CAFR. The information set forth herein does not contain all material information concerning the Bonds or the Authority necessary to make an informed investment decision. This Annual Disclosure Statement does not constitute an offer to sell or the solicitation of an offer to buy the Bonds.

This Annual Disclosure Statement is submitted pursuant to the Disclosure Agreements and the obligations of the Authority entered into in 1997 in connection with the BOSFUEL Bonds. The intent of the Authority's undertaking under the Disclosure Agreements is to provide on a continuing basis for the benefit of the owners of the Bonds and any other bonds of the Authority which are designated by resolution of the Authority as subject to and having the benefits of either of the Disclosure Agreements the information described in Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934. Pursuant to the Disclosure Agreements, the Authority has agreed with respect to the Bonds to provide, or cause to be provided, certain annual financial information and operating data, prepared on the basis of the 1978 Trust Agreement, and notices of material events. In addition, in connection with the issuance of the BOSFUEL Bonds, the Authority undertook a limited obligation to provide annual updated data with respect to certain information regarding the Airport. The Authority reserves the right to modify the disclosure required under the Disclosure Agreements, or the format of such disclosure, so long as any such modification is permitted by the Rule.

The purpose of the Authority's undertaking is to conform to the requirements of the Rule and not to create new contractual or other rights for the Trustees or for the underwriters of the Bonds, any registered owner or beneficial owner of Bonds, any municipal securities broker or dealer, any potential purchaser of the Bonds, the SEC, or any other person. The sole remedy in the event of any actual or alleged failure by the Authority to comply with any provision of the Disclosure Agreements shall be an action for the specific performance of the Authority's obligations thereunder and not for money damages in any amount. Any failure by the Authority to comply with any provision of such undertaking shall not constitute an event of default under

the 1978 Trust Agreement, the PFC Trust Agreement or any other instruments relating to the Bonds.

UPDATED OPERATING INFORMATION

Incorporation by Reference

The CAFR is hereby incorporated by reference. To view the CAFR on-line, please visit http:www.massport.com/about/about_inves.html.

Airport Properties

Boston-Logan International Airport (the "Airport") continues to be the principal source of the Authority's Revenues, Net Revenues and net income, and is the dominant factor in the determination of the Authority's financial condition. In fiscal year 2002, the Airport accounted for 77.4% of the Authority's Revenues and 83.3% of the Authority's Net Revenues, as defined in the 1978 Trust Agreement. For additional information regarding activities at the Airport Properties during fiscal year 2002, please refer to pages 3-4 to the Letter of Transmittal to the CAFR and to statistical information presented in Tables S-5, S-6, S-7, S-8, S-9 and S-15. Tables S-5, S-8 and S-9 in the Statistical section of the CAFR summarize Airport traffic statistics for the ten most recent fiscal years.

The financial results for fiscal year 2002 were significantly affected by the events of September 11, 2001, as well as the economic slowdown that began before September 11th. The Authority's revenues are largely derived from the operations at the Airport, and are thus significantly affected by the number of passengers and aircraft operations, both of which were reduced after September 11th. In fiscal year 2002, domestic passenger traffic at the Airport on jet air carriers decreased 19.3% from fiscal year 2001 levels. During the same period, the number of domestic jet air carrier operations decreased 19.8%, while landed weights decreased 18.3%.

International Traffic. In fiscal year 2002, international passengers accounted for 17.4% of passenger traffic, or approximately 3.8 million enplanements and deplanements at the Airport. In fiscal year 2002, overall international passenger traffic decreased from fiscal year 2001 by 19.5%. The segment shares of international passenger traffic enplaned and deplaned at the Airport for the same period were 11.3% for Europe and the Middle East, 2.9% for Canada, 3.2% for Bermuda and the Caribbean and 0% for Asia and the Pacific. In calendar year 2001, the top five international origination/destination cities were London, Toronto, Paris, Dublin and Frankfurt.

Regional Traffic. In fiscal year 2002, regional airline passengers (excluding international regional) accounted for 9.6% of total passenger traffic at the Airport, or approximately 2.1 million enplanements and deplanements. Regional passenger traffic experienced a 9.6% decrease from fiscal year 1998 through fiscal year 2002, and a 7.4% decrease from fiscal year 2001 to fiscal year 2002. During fiscal year 2002 regional air carriers accounted for 35.6% of the aircraft operations at the Airport. From fiscal year 1998 through fiscal year 2002, regional flight operations decreased 25.3%, and such traffic decreased by 13.2% from fiscal year 2001 to fiscal year 2002. As of June 30, 2002, American Eagle, owned by AMR Corp., parent of American Airlines, Inc., accounted for the greatest share of all regional

traffic at the Airport with 50% of regional passengers, followed by the USAir Express group of regional carriers, which carried 23.6% of domestic regional passengers and Atlantic Coast Airlines, a Delta Express carrier, with 19.5% of domestic regional passengers. On August 11, 2002, US Airways, Inc., parent company of the USAir Express carriers filed for bankruptcy protection under Chapter 11 of the federal Bankruptcy Act.

Cargo Traffic. In fiscal year 2002, total combined cargo and mail volume was approximately 842 million pounds. Between fiscal years 1998 and 2002, the total volume of air cargo and mail handled at the Airport decreased by 15.5%, and the volume in fiscal year 2002 decreased by 14.1% over fiscal year 2001. From fiscal year 2001 to fiscal year 2002, air cargo (small package/express and freight) decreased by 4.1%. A large percentage of the total volume of air cargo for the period was attributable to integrated small package/express carriers, including Federal Express, United Parcel Service, Emery World Wide, ABX Air, Inc., Express One and Kitty Hawk Airlines. Integrated carriers accounted for 46% of total domestic and international cargo volume in fiscal year 2002, compared to 55% in fiscal year 2001.

SELECTED FINANCIAL DATA

Table S-3A set forth in the CAFR reflects Revenues and Operating Expenses for the ten most recent fiscal years, prepared in accordance with accounting principles required by the 1978 Trust Agreement. Information for each of the ten fiscal years in the period ending June 30, 2002 is derived from the Authority's financial statements for the respective fiscal years. Financial statements of the Authority for fiscal year 2002 and comparative data for fiscal year 2001, together with the report thereon of PricewaterhouseCoopers LLP, independent accountants, are included in the CAFR.

Tables S-3 and S-3A of the CAFR show the calculation of Annual Debt Service Coverage of the Authority, as provided under the 1978 Trust Agreement, which equals the ratio of the Net Revenues of the Authority to the Annual Debt Service. "Net Revenues" is defined in the 1978 Trust Agreement as the excess of Revenues over Operating Expenses; provided that for the purpose of the calculations, proceeds of passenger facility charges ("PFCs") have been excluded from Revenues because such proceeds have been excluded from Revenues under the 1978 Trust Agreement. PFCs are pledged to secure the PFC Bonds, pursuant to the PFC Trust Agreement, and certain specific information pertaining to the PFC Bonds, as required by the PFC Disclosure Agreement, is set forth below and in Appendices A and B. As used in the tables, "Annual Debt Service" is equal to the "Principal and Interest Requirements" on Bonds (other than BOSFUEL Bonds) outstanding for the applicable fiscal year.

MANAGEMENT'S DISCUSSION OF HISTORICAL OPERATING RESULTS Prepared in Accordance with the 1978 Trust Agreement

From fiscal year 1998 to fiscal year 2002, total Revenues have increased from $290.9 million to $327.5 million while total Operating Expenses have increased from $169.7 million to $201.4 million, resulting in Net Revenues increasing from $121.2 million for fiscal year 1998 to $126.1 million for fiscal year 2002 (excluding PFCs). During this period, the annual net income

of the Authority, determined in accordance with GAAP, averaged $20.7 million (excluding PFCs). During this period, the Airport has been the key source of Authority gross revenues, net revenue and net income. For a discussion of the differences between the accounting principles required by the 1978 Trust Agreement and GAAP, see Note B to the Financial Statements in the CAFR, and Tables S-3 and S-3A for a comparison of revenues and expenses, as calculated under the 1978 Trust Agreement and GAAP. Revenues and net income do not include PFC Revenues, which are required under federal law to be applied for certain capital projects at the Airport. PFC Revenues and investment income thereon totaled $40.2 million in fiscal year 2001, and $32.1 million in fiscal year 2002.

The financial results for fiscal year 2002 were significantly affected by the events of September 11, 2001, as well as the economic slowdown that began before September 11th. The Authority commenced immediate actions to manage both its revenues and expenses following September 11th and on October 11, 2001, the Authority adopted a revised budget as part of a fiscal recovery plan. The revised budget was based upon the assumption that, on average, the passengers at Logan Airport for fiscal year 2002 would be 70% of the originally expected levels and that parking revenue would be 65% of the prior fiscal year. The resulting revised budget projected Revenues of $305.6 million (reduced from $364 million) and Operating Expenses of $203.3 million (reduced from $226.6 million). The final results for fiscal year were better than forecast in the financial recovery plan. Revenues were $327.5 million, approximately $22 million more than projected in the financial recovery plan, and actual Operating Expenses were $201.4 million, nearly $2 million less than projected in October 2001. For a more complete discussion of the financial recovery plan, please refer to the Management's Discussion and Analysis set forth in the Authority's financial statements for fiscal year 2002, which is contained in the CAFR.

Airport Properties

Airport Properties Net Revenues (Airport Properties Revenues less Airport Properties Operating Expenses), decreased from fiscal year 1998 to fiscal year 2002 by 2.8%. Landing fees, charges for heating and cooling, and terminal rentals have been set periodically on a compensatory basis to recover direct and allocated capital, administration, maintenance and operation costs. Approximately $41.5 million, or 16.0%, of fiscal year 2002 Airport Properties Revenues reflected the recovery of costs of construction and financing of improvements. Unlike many airport operators, the Authority is not constrained by contractual arrangements with the air carriers governing incurrence of landing field costs and the recovery of such costs in the landing fee. From fiscal year 1998 to fiscal year 2002, the largest percentage increases in components of Airport Properties Operating Expenses were associated with the increased cost of payroll and benefits, ground transportation related expenses and rent for off-Airport properties.

Landing Fees. Landing fee revenues at the Airport decreased from $50.8 million in fiscal year 1998 to $49.7 million in fiscal year 2002. During this period, the landing fee rate per thousand pounds of landed weight increased from $2.14 to $2.35. The landing fee for fiscal year 2003, established as of October 1, 2002, is $3.76 per thousand pounds of landed weight. Each October, the Authority establishes the landing fee for the Airport based upon historic capital costs, and the budgeted direct and allocable indirect operating costs of providing these facilities for that fiscal year, plus an adjustment for the actual versus the prior year's budgeted revenues and expenses. The adjustment between actual and projected fiscal year 2002 landed weights

resulted in an increase of over $0.59 per thousand pounds of landed weight. Similarly, the decrease in projected landed weights for fiscal year 2003 compared to those projected for 2002 resulted in an increase of $0.55 in the landing fee. From fiscal year 1998 to fiscal year 2002 landed weight decreased from approximately 22,447 thousand pounds to approximately 19,872 thousand pounds, and landed weight decreased from approximately 24,324 thousand pounds in fiscal year 2001 to 19,872 thousand pounds in fiscal year 2002.

Parking Fees. Airport parking revenues have increased from $58.2 million in fiscal year 1998 to $64.0 million in fiscal year 2002, reflecting rate increases which went into effect on September 1, 1997 and November 12, 2001, as well as a 20.2% decrease in vehicle exits, primarily reflecting the impact of security initiatives required after September 11th, including the temporary closure of the Airport, as well as longer temporary closure of certain parking facilities at the Airport thereafter. The number of commercial parking spaces at the Airport is subject to a limitation imposed by the United States Environmental Protection Agency. In partial consideration for the issuance of the Subordinated Revenue Bonds, the Authority received the authority to increase the number of commercial parking spaces permitted to be located at the Airport by 1,377.

Rentals. The Authority does not have long-term written agreements with most of the airline tenants in Terminals C, D and E. Rental rates for such Terminals are set on a compensatory basis to recover direct and allocated capital, administration, maintenance and operation costs. Rental revenue from these three Terminals totaled $34.8 million in fiscal year 2002. In connection with the issuance of the Delta Project Bonds in August of 2001, the Authority entered into a long term lease with Delta Air Lines, Inc. ("Delta") for Terminal A as of August 1, 2001 pursuant to which Delta is undertaking the redevelopment of Terminal A. Terminal B had been operated under a net lease with the South Terminal Corporation, an airline consortium whose member shareholders occupy approximately two-thirds of the gates at Terminal B. This lease expired in November 2001, and the Authority now directly controls, operates and maintains all of Terminal B from and after that date. However, in connection with the issuance of the 1997 USAir Project Bonds in January 1997, the Authority entered into a lease of the western wing of Terminal B with US Airways for a term scheduled to end September 30, 2023, and the Authority entered into a similar lease of a significant portion of the eastern wing of Terminal B with American Airlines for a term expiring in 2010, which may be extended to 2015. Net rentals from Terminal B, including revenues from tenants occupying Authority-controlled space, were $6.3 million in fiscal year 2002. Rental income from buildings other than Terminals totaled $20.7 million in fiscal year 2002 and income from land rentals produced an additional $9.2 million.

Concessions. Revenues from concessions increased slightly from $41.1 million in fiscal year 1998 to $41.4 million in fiscal year 2002. Concession revenues include payments made by rental car companies which operate at the Airport and commissions from the following concessions: food and beverage, news and gifts, duty free shops, specialty shops, and other concessions. During the five-year period from fiscal year 1998 to fiscal year 2002, approximately 43.0% of concession revenues was derived from payments made by rental car companies.

Hanscom Field. During fiscal year 2002, Revenues from operations at Hanscom Field represented approximately 1.5% of the total revenues of the Authority, and Hanscom's Operating

Expenses constituted approximately 1.9% of the Authority's expenses. In fiscal year 2002, Hanscom Field contributed $4.9 million of Revenue, with Operating Expenses of $3.9 million, yielding an operating surplus of approximately $1.0 million. The average operating surplus at Hanscom Field from fiscal years 1998 through 2002 has been approximately $160,000. Operating revenue and expense figures for Hanscom Field stated in this paragraph do not include certain items, particularly expense items, such as interest, depreciation and amortization, properly allocable to Hanscom Field under GAAP.

Port Properties

Results of operations of the Authority's Maritime Department and its Business Development Department are separately stated. The Authority has traditionally experienced annual Port Properties operating deficits (Maritime and Business Development Revenues less Maritime and Business Development Operating Expenses). These deficits reflect the allocation of a portion of Authority-wide administrative and overhead costs as well as all direct costs.

In fiscal year 2002 the Revenue attributable to the Port Properties totaled approximately $38.6 million, or approximately 11.8% of the Revenues of the Authority, and the Port Properties accounted for approximately $41.1 million of Operating Expenses, or approximately 20.4% of the Authority's Operating Expenses. The Maritime Department accounted for $31.6 million of these Revenues and for $34.1 million of Operating Expenses, thus incurring an operating deficit in fiscal year 2002 of $2.5 million. The Business Development Department realized $7.0 million of Revenues, versus $7.0 million of Operating Expenses, producing an operating deficit of $21,000. Operating revenue and expense figures for the Port Properties stated in this paragraph do not include certain items, particularly expense items such as payments in lieu of taxes, interest and depreciation and amortization, properly allocable to the Port Properties under GAAP.

Maritime. The Maritime Department has operated at a deficit in each of the fiscal years from 1998 through 2002. From fiscal year 1998 to fiscal year 2002, the operating deficit has averaged $3.0 million. The Authority attributes the reduction of the operating deficit in recent fiscal years to the following factors: increases in container fee revenue from restructuring rates at Conley Terminal, increases in cruise ship activity, and increases in rental revenue from additional leases, including the International Cargo Port. Operating Expenses for fiscal year 2002 were relatively stable with no significant increases noted from the previous fiscal year.

Over the period shown, the Authority implemented its Marine Terminal Optimization Program, consolidating container operations at Conley Terminal and automobile processing at Moran Terminal and Mystic Pier No. 1. The Authority has also pursued a policy of seeking compensatory pricing, aggressively negotiating new lease terms when possible, and revenue development through more intense use of the Port Properties and a marketing program designed to increase the volume of containers handled and the number of cruise passengers who embark or disembark in Boston, in an effort to mitigate these deficits.

Business Development. The Business Development Department, which manages the active redevelopment of the Fish Pier, Commonwealth Pier, Constitution Plaza and adjacent properties, and the East Boston Piers, experienced deficits in fiscal years 1998 and 2002. As a result of significant increases in rental rates obtained at the expiration and renewal of prior leases, and substantial increases in rental rates where higher and more intensive uses have been

achieved, operating revenues exceeded expenses in fiscal years 1999 to 2001. The average annual operating surplus during the five years was $268,000.

Bridge

In fiscal year 2002 Revenues from the Bridge were approximately $17.4 million, or approximately 5.3% of the total Revenues of the Authority. Bridge Operating Expenses for fiscal year 2002 were $7.8 million, yielding an operating surplus on Bridge operations of approximately $9.6 million. Basic toll rates at the Bridge for passenger cars did not change from 1956-1997. However, effective July 1, 1997, toll rates were increased, with passenger car tolls doubling from $.50 to $1.00, and effective January 1, 2002 when passenger car tolls were increased from $1.00 to $2.00. Operating revenue and expense figures for the Bridge operations stated in this paragraph do not include certain items, particularly expense items such as payments in lieu of taxes, interest and depreciation and amortization, properly allocable to the Bridge under GAAP.

Other

Investment Income. Investment income decreased from $21.6 million in fiscal year 2001 to $13.0 million in fiscal year 2002, reflecting smaller balances available for investment and lower interest rates.

PFC ANNUAL FILING

The following information is provided with respect to the PFC Bonds pursuant to the PFC Disclosure Agreement.

Historical and Forecast PFCs and Estimated Debt Service Coverage

A table presenting historical PFC collections and estimated debt service coverage of the Bonds as of June 30, 2002 is attached hereto as APPENDIX A.

First Lien Sufficiency Covenant

A calculation of the First Lien Sufficiency Covenant (as defined in the PFC Trust Agreement) as of June 30, 2002 is attached hereto as APPENDIX B.

Sources and Uses of Funds for 1999 PFC Bond Projects

The 1999 PFC Bond Projects consist of the “Gateway Terminal Building”, comprising an addition of approximately 410,000 square feet of new space to, and renovation of approximately 170,000 square feet of existing space at, Terminal E, the international terminal at the Airport, and development of the “Gateway Roadways”, comprising a new two-level system of public roads, service access and new curbside facilities. Collectively, the Gateway Terminal Building and the Gateway Roadways are referred to as the “International Gateway Project.” As of September 30, 2002, the estimated cost to complete the International Gateway Project was approximately $360,616,000, an increase of approximately $39 million over the estimated costs to complete in September 2001. This increase is due to the increased cost of baggage screening facilities, including explosive detection systems, incorporated into the Gateway Terminal

building after September 11, 2001. As of June 30, 2002, $282,521,694 had been committed through execution of construction contracts, change orders, work orders, purchase orders or other approved payments, and $199,735,194 had been invoiced. The primary sources of funding for the International Gateway Project are the Authority's PFC Revenue Bonds, Series 1999A, PFC Revenue Bonds, Series 1999B and Revenue Bonds, Series 1999D, as well as pay-as-you go PFCs.

International Gateway Project Sources and Uses

	Gateway Roadways	**Gateway Terminal Building**	**Total**
PFC Pay-as-you-go Funding:			
Preliminary Design:	$ 588,000	$ 2,678,000	$ 3,266,000
Budgeted Construction Costs:	5,325,000	57,906,000	63,231,000
Budgeted OCIP:	1,380,000	6,281,000	7,661,000
Subtotal PFC Pay-as-you-go Funding:	7,293,000	66,865,000	74,158,000
PFC Revenue Bonds:			
Series 1999A:	40,743,000		40,743,000
Series 1999B:		182,875,000	182,875,000
Revenue Bonds, Series 1999D:		36,049,000	36,049,000
Other Sources (future Revenue Bonds expected to be issued in 2005):		26,791,000	26,791,000
Total Funding for International Gateway:	$48,036,000	$312,580,000	$360,616,000

Additional Information

The remaining information required to be included in the Authority's Annual Filing under subsections 4(a)(ii), (iii), (iv) and 4(c) of the PFC Disclosure Agreement is included in the Authority's audited financial statements for the fiscal year ended June 30, 2002, the Letter of Transmittal, the Statistical Information or the Annual Disclosure Statement included in the 2002 CAFR.

* * *

This Annual Disclosure Statement has been executed and delivered on behalf of the Authority pursuant to the Disclosure Agreements.

MASSACHUSETTS PORT AUTHORITY

By: Craig P. Coy

Craig P. Coy, Chief Executive Officer/Executive Director

By: Leslie A. Kirwan

Leslie A. Kirwan
Director of Administration and Finance and Secretary-Treasurer

APPENDIX A

HISTORICAL PFC REVENUE AND DEBT SERVICE COVERAGE
(In Thousands)

Fiscal Year	Enplaned Passengers	Rate of Traffic Growth	Percent Passengers Paying PFCs	Net PFC Collections(1)	PFC Investment Income	Total Collections Plus Inv. Income	Gross Annual Debt Service(2)	Less: Interest Income(3)	Net Annual Debt Service	Debt Service Coverage
2000	13,748	3.28%	91.70%	$36,812	$4,483	$41,295	$13,212	$10,604	$2,608	15.83
2001	13,633	(1.67)	91.23	36,318	3,901	40,269	21,543	9,904	11,639	3.46
2002	11,019	(19.17)	91.51	29,442	2,652	32,094	21,547	7,402	14,145	2.27

(1) Net PFC Collections computed at rate of $3.00 per passenger less $0.08 Airline Collection Fee.
(2) Less accrued interest from June 1, 1999 to June 16, 1999 in the amount of $528,464 in fiscal year 2000.
(3) Interest Income on Debt Service Fund, Debt Service Reserve Fund and Project Fund.

APPENDIX B

FIRST LIEN SUFFICIENCY COVENANT CALCULATION

Appendix B

Calculation of the First Lien Sufficiency Covenant
for the fiscal year ending June 30, 2002
(see attached notes and exhibits)

First Lien Sufficiency Covenant =

$$\frac{\text{Unspent PFC Authority + Projected Additional Pledged Revenue}}{\text{Projected Aggregate Debt Service}} = \mathbf{2.27}$$

Unspent PFC Authority =		Projected Additional Pledged Revenue (currently none)	Projected Aggregate Debt Service (calculated with the goal of minimizing the aggregate dollar amount necessary to pay and redeem the First Lien PFC Bonds whether at maturity or redemption prior to stated maturity)	
(A) Aggregate dollar amount of revenue authorized to be collected by the Authority under PFC Authority	$927,353,000	$0	Amount necessary to pay or redeem the PFC Bonds at redemption: call date July 1, 2009 @ 101% (minimum amount)	
minus			Projected Aggregate Debt Service =	
(B) the dollar amount of Cost of Projects paid to date from PFC Pledged Revenue or legally obligated to date to be paid from PFC Pledged Revenue	278,797,302		(D) Aggregate amount of Annual Debt Service for the period commencing June 30, 2002 through the optional redemption date of July 1, 2009 together with premium	$330,858,988
(C) (including debt service paid to date on First Lien PFC Bonds but excluding Projected Aggregate Debt Service with respect to First Lien PFC Bonds)	16,914,210		minus	
Unspent PFC Authority = (A) minus sum of (B) and (C)	$631,641,488		amounts on deposit as of June 30, 2002	
			in the Debt Service Fund and	$15,449,296
			Debt Service Reserve Fund,	$24,935,500
			and projected interest earnings on	
			the Project Funds and	$2,971,333
			the Debt Service Reserve Fund	$9,611,907
			(E) Subtotal	$52,968,036
			Projected Aggregate Debt Service = (D) minus (E)	$277,890,952

(A), (B), (C), (D), (E): See attached notes

Notes:

(A) See FAA's Record of Decision, dated February 5, 1998, page 4 (See attached Exhibit 1)

(B) This figure is the total of (1) pay-as-you-go expenditures paid through June 30, 2002 plus (2) binding commitments legally obligated to be paid (but not yet paid as of June 30, 2002).

		Paid to Date *	Legally Obligated to be Paid**
PFC Project 1:	Residential Sound Insulation Projects	$15,325,217	$1,443,576
PFC Project 2A:	Logan Modernization Program Planning, Preliminary Design and Environmental Analysis	9,510,338	0
PFC Project 3:	Terminal E Modernization	20,891,765	0
PFC Project 4:	Circulating Roadways	101,804,248	15,383,734
PFC Project 6:	International Gateway	167,925	5,772,652
PFC Project 17:	Elevated Walkways	102,435,119	6,062,729
Total		$250,134,612	$28,662,691
Total of Paid to Date and Legally Obligated to be Paid			$278,797,302

* Source: June 30, 2002 Passenger Facility Charge Quarterly Report. (See Exhibit 2.) For PFC Project 6, the Paid to Date figure shown here does not include $4,227,830.01 of PFC Pledged Revenue used to pay debt service on the 1999A and 1999B PFC Revenue Bonds.

** Legally Obligated to be Paid Amounts:

PFC Project 1: Residential Sound Insulation Program (See attached Exhibit 3)

PFC Project 2A: Logan Modernization Program Planning, Preliminary Design and Environmental Analysis
These expenditures covered project costs through environmental approval or through 25% of design. All Logan Modernization Projects reached that point before June 30, 2000.

PFC Project 3: Terminal E Modernization
This project was closed on July 6, 1999.

PFC Project 4: Circulating Roadways
PFC Project 6: International Gateway ***
PFC Project 17: Elevated Walkways
For projects 4 and 17 see Logan Modernization Cost Report, June 2002, attached as Exhibit 4. Legally Obligated to be Paid is equal to Current Committed shown on Exhibit 4 minus Paid to Date amount shown above.

*** As of June 30, 2002, the available balances in the 1999A and 1999B PFC Revenue Bonds' Project Funds are sufficient to cover the Legally Obligated to be Paid Amount for PFC Project 6. Therefore, the amount of PFC Pledged Revenue Legally Obligated to be Paid, as of June 30, 2002, is zero.

(C) Debt Service Paid to Date consists of the interest and principal payments made to bondholders through January 2, 2002. The amount of PFC Pledged Revenue used to pay debt service was $16,914,201.01

(D)

Aggregate amount of Annual Debt Service as of June 30, 2002 assuming bonds are redeemed (including premium) at earliest possible date: July 1, 2009	$330,858,988
Aggregate amount of Annual Debt Service as of June 30, 2002 assuming bonds are redeemed July 1, 2010	$337,535,589
Aggregate amount of Annual Debt Service as of June 30, 2002 assuming bonds are redeemed at maturity	$363,463,549

(See attached Exhibit 5)

(E) Sum of amounts on deposit as of June 30, 2002 in the Debt Service Fund and Debt Service Reserve Fund, and projected interest earnings on the Project Funds and Debt Service Reserve Fund:

assuming bonds are redeemed at earliest possible date: July 1, 2009	$52,968,036
assuming bonds are redeemed July 1, 2010	$54,176,340
assuming bonds are redeemed at maturity	$63,147,453

(See attached Exhibit 5)

application, including those for which "impose only" is authorized.

DECISION SUMMARY TABLE

Application Number	**Approved for Collection**	**Approved for Use**
93-01-C-00-BOS	$598,800,000	$12,028,000
93-01-C-01-BOS	($361,138,000)	($1,682,000)
93-01-C-02-BOS	$231,102,000	$ -0-
93-01-C-03-BOS*	$295,552,000	$ -0-
96-02-C-00-BOS	$163,037,000	$482,901,000
97-03-U-00-BOS	$ -0-	$434,106,000
Totals	**$927,353,000**	**$927,353,000**

* An administrative amendment was processed with this application, based on information submitted by Massport, indicating cost adjustments to one project previously approved for collection in the 93-01-C-00-BOS application, as amended. The table below shows the project title, original approved amount, and revised amount. The result is a net increase in the authorization to impose a PFC as approved in the 93-01-C-00-BOS application and shown in the preceding table.

Revised Project Costs

Description:	**Original Approved Amount**	**Revised Impose Amount**
New Federal Inspection Services Facility	$138,554,000	$434,106,000

[Net change: $434,106,000 - $138,554,000 = $295,552,000]

Exhibit 2

MASSACHUSETTS PORT AUTHORITY
PFC QUARTERLY REPORT
PROJECT ACTIVITY
GENERAL EDWARD LAWRENCE
LOGAN INTERNATIONAL AIRPORT
QUARTER ENDED JUNE 30, 2002

Projects	Charge Effective Date	Approval of Use Date	Project Start	Project Stop	Current Quarter Expenditures	Cumulative Expenditures	Amount of Use Approval	Current Estimated Costs
Project 1 - Residential Sound Insulation (RSIP)	1-Nov-93	27-Jan-97	1-Jan-91	31-Dec-01	$0.00	$15,325,217.34	$26,990,000.00	$16,768,793.00
Project 2A - Logan Modernization Program (LMP) Planning, Preliminary Design , and Environmental Analysis	1-Nov-93	24-Aug-93	1-Jul-93	30-Jun-97	0.00	9,510,337.52	10,346,000.00	9,510,337.52
Project 3 - Terminal E Improvements	1-Nov-93	27-Jan-97	1-Jul-94	30-Jun-97	0.00	20,891,764.85	24,568,000.00	20,891,764.85
Project 4 - Roadway System (Circulation and Terminal E)	1-Nov-93	27-Jan-97	1-Jul-95	31-May-04	4,406,250.30	101,804,248.11	268,306,000.00	134,198,000.00
Project 6 - International Gateway *	1-Nov-93	5-Feb-98	1-Jul-95	31-Dec-03	19,381,165.15	28,910,834.33	434,106,000.00	329,511,761.00
Project 17 - Elevated Walkways	1-Jan-01	27-Jan-97	1-Jun-95	30-Jun-02	3,563,668.36	102,435,119.24	163,037,000.00	108,606,000.00
Total Impose and Use					$27,351,083.81	$278,877,521.39	$927,353,000.00	$619,486,656.37

* Expenditure amounts for Project 6 - International Gateway consist of payments made from the PFC Capital Fund and PFC funded deposits into the 1999A and 1999B PFC Revenue Bonds debt service funds.

Exhibit 3
Calculation of PFC Project 1: Residential Sound Insulation Program Expenditures
Legally Obligated to be Paid

Expenditures Paid to Date (PFC-Eligible) FY1991 through FY2002 *	$82,669,000
Expenditures Legally Obligated to be Paid as of June 30, 2002 (See below)	83,379
Total Expenditures Paid to Date or Legally Obligated to be Paid	$82,752,379
FAA AIP Grant Funding **	(65,983,586)
Amount to be Funded by PFCs	$16,768,793
Amount Funded with PFCs as of June 30, 2002 (See Exhibit 2)	(15,325,217)
Balance to be Funded by PFCs as of June 30, 2002	$1,443,576

Open Residential Sound Insulation Projects (Contracts) as of June 30, 2002 ***

MPA Number	Total Contract Value (Column A)	Expended Through 30-Jun-02 (Column B)	Legally Obligated to be Paid (Column A - B)
1.707	$7,668,133	$7,611,361	$56,772
1.707AA	389,006	362,399	26,607
1.707Y			0
1.707Z			0
1.707ZA			0
1.707ZB			0
1.707ZD			0
1.707ZE			0
1.707ZF	0	0	0
1.707ZG			0
TOTAL	$8,057,138	$7,973,759	$83,379

* Source: Capital Expenditure/Budget Reports for fiscal year end 1991 through 2002.
** Source: Federal Grant Aging Schedules for fiscal years 1991 through 2002.
*** Source: Capital Program's Project Information Updates

Exhibit 4

MASSPORT
Report: FSS - Funding Source Summary

LOGAN MODERNIZATION COST REPORT

Funding Source Summary Report
Period: 05/21/02 to 06/18/02

Date: 07/30/02
Time: 20:11:22
Status Date: 06/18/02

Funding Source	Funds Available Through FY02 *	Current Committed	Invoiced Through 05/21/02	Invoiced This Period	Invoiced Through 06/18/02	Invoiced/ Committed
Logan Modernization						
1990 Bond	4,752,529	4,752,877	4,752,529	0	4,752,529	99.99%
1992 Bond	24,185,000	24,185,000	24,185,000	0	24,185,000	100.00%
1997 Bond Series A, Non-AMT	104,982,158	104,796,617	104,982,158	(210,197)	104,771,961	99.98%
1997 Bond Series B, AMT	24,214,251	24,215,616	24,215,616	0	24,215,616	100.00%
1998 Bond D (#013)	2,764,000	2,756,837	2,763,143	0	2,763,143	100.23%
1998 Bond Series E	67,350,000	66,035,809	66,013,167	(44,445)	65,968,723	99.90%
1999 Bond A, IG Roads, PFC Rev (#216)	40,740,000	45,234,547	42,764,266	25,635	42,789,902	94.60%
1999 Bond B, IG Term, PFC Rev (#226)	182,873,000	183,969,395	114,477,424	4,214,647	118,692,071	64.52%
1999 Bond C, Roadway Betterments	42,653	54,325	42,653	0	42,653	78.52%
1999 Bond D, Utilities & IG (#106)	66,200,000	66,653,453	46,839,064	1,365,356	48,204,421	72.32%
Improvement & Extension (#095)_	29,847,326	31,617,799	17,165,438	2,189,807	19,355,245	61.22%
Maintenance Reserve (#080)	10,000,000	9,513,166	9,250,771	0	9,250,771	97.24%
PFC 2A Preliminary Design	9,424,918	9,460,290	9,424,918	0	9,424,918	99.63%
PFC Project 17 - Elevated Walkways (#203)	111,200,000	108,497,848	101,457,048	1,005,285	102,462,333	94.44%
PFC Project 3 - Terminal E Modernization (#203	20,683,555	20,696,243	20,683,555	0	20,683,555	99.94%
PFC Project 4 - Circulating Roadways (#203)	128,650,928	117,187,982	94,634,652	2,175,819	96,810,471	82.61%
PFC Project 6 - International Gateway (#203)	100,000	186,634	30,288	0	30,288	16.23%
Logan Modernization Total:	828,010,318	819,814,436	683,681,691	10,721,907	694,403,598	84.70%
Non-Logan Modernization						
Improvement & Extension (#095)_	9,913,191	5,411,784	4,973,317	111,223	5,084,540	93.95%
Non-Logan Modernization Total:	9,913,191	5,411,784	4,973,317	111,223	5,084,540	93.95%

Exhibit 5

Amount necessary to pay or redeem the PFC Bonds at earliest redemption date

Row 1	Initial Principal Amount of the 1999A and 1999B PFC Revenue Bonds	$249,355,000
Row 2	Principal Payment to be made on July 2, 2001	(8,860,000)
Row 3	Principal Payment to be made on July 1, 2002	(9,205,000)
Row 4	Principal Payment to be made on July 1, 2003	(9,585,000)
Row 5	Principal Payment to be made on July 1, 2004	(9,995,000)
Row 6	Principal Payment to be made on July 1, 2005	(10,425,000)
Row 7	Principal Payment to be made on July 3, 2006	(10,945,000)
Row 8	Principal Payment to be made on July 2, 2007	(11,435,000)
Row 9	Principal Payment to be made on July 1, 2008	(12,005,000)
Row 10	Principal Payment to be made on July 1, 2009	(12,630,000)
Row 11	Principal Balance Remaining Outstanding as of July 1, 2009 (Sum of Rows 1-10)	$154,270,000
Row 12	Interest Payments made July 1, 2002	6,171,012
Row 13	Interest Payments made July 2, 2002 through July 1, 2003	11,960,016
Row 14	Interest Payments made July 2, 2003 through July 1, 2004	11,552,654
Row 15	Interest Payments made July 2, 2004 through July 1, 2005	11,117,871
Row 16	Interest Payments made July 2, 2005 through July 3, 2006	10,600,846
Row 17	Interest Payments made July 4, 2006 through July 2, 2007	10,108,321
Row 18	Interest Payments made July 3, 2007 through July 1, 2008	9,537,636
Row 19	Interest Payments made July 2, 2008 through July 1, 2009	8,912,931
Row 20	Interest Payments made July 1, 2002 through July 1, 2009 (Sum of Rows 12-19)	$79,961,288
Row 21	Principal Balance redeemed @ 101% of par July 1, 2009 (101% of Row 11)	$155,812,700
Row 22	Principal Payments through July 1, 2009 prior to redemption (Sum of Rows 2-10)	95,085,000
Row 23	Interest Payments made through July 1, 2009 (Row 20)	79,961,288
Row 24	Aggregate First Lien Debt Service remaining to be paid as of June 30, 2002 assuming redemption at first call date, July 1, 2009 (Sum of Rows 21-23)	$330,858,988
Row 25 *	Projected earnings on Debt Service Reserve Fund as of June 30, 2002	(9,611,907)
Row 26 *	Projected earnings on the Project Funds as of June 30, 2002	(2,971,333)
Row 27	Balance of the Debt Service Fund as of June 30, 2002	(15,449,296)
Row 28	Balance of the Debt Service Reserve Fund as of June 30, 2002	(24,935,500)
Row 29	Subtotal (Sum of Rows 25-28)	($52,968,036)
Row 30 **	**Amount necessary to pay or redeem the PFC Bonds at earliest redemption date** (Sum of Row 24 and Row 29)	$277,890,952

* Projected interest earnings through July 1, 2009.
** Minimum amount necessary to pay or redeem the PFC Bonds at maturity or redemption
(See comparisons below)

Exhibit 5

Amount necessary to pay or redeem the PFC Bonds at July 1, 2010 redemption date:

Row 1	Initial Principal Amount of the 1999A and 1999B PFC Revenue Bonds	$249,355,000
Row 2	Principal Payment to be made on July 2, 2001	(8,860,000)
Row 3	Principal Payment to be made on July 1, 2002	(9,205,000)
Row 4	Principal Payment to be made on July 1, 2003	(9,585,000)
Row 5	Principal Payment to be made on July 1, 2004	(9,995,000)
Row 6	Principal Payment to be made on July 1, 2005	(10,425,000)
Row 7	Principal Payment to be made on July 3, 2006	(10,945,000)
Row 8	Principal Payment to be made on July 2, 2007	(11,435,000)
Row 9	Principal Payment to be made on July 1, 2008	(12,005,000)
Row 10	Principal Payment to be made on July 1, 2009	(12,630,000)
Row 11	Principal Payment to be made on July 1, 2010	(13,325,000)
Row 12	Principal Balance Remaining Outstanding as of July 1, 2010 (Sum of Rows 1-11)	$140,945,000
Row 13	Interest Payments made July 1, 2002	6,171,012
Row 14	Interest Payments made July 2, 2002 through July 1, 2003	11,960,016
Row 15	Interest Payments made July 2, 2003 through July 1, 2004	11,552,654
Row 16	Interest Payments made July 2, 2004 through July 1, 2005	11,117,871
Row 17	Interest Payments made July 2, 2005 through July 3, 2006	10,600,846
Row 18	Interest Payments made July 4, 2006 through July 2, 2007	10,108,321
Row 19	Interest Payments made July 3, 2007 through July 1, 2008	9,537,636
Row 20	Interest Payments made July 2, 2008 through July 1, 2009	8,912,931
Row 21	Interest Payments made July 2, 2009 through July 1, 2010	8,219,301
Row 22	Interest Payments made July 1, 2002 through July 1, 2010 (Sum of Rows 13-21)	$88,180,589
Row 23	Principal Balance redeemed @ 100% of par July 1, 2010 (100% of Row 12)	$140,945,000
Row 24	Principal Payments through July 1, 2010 prior to redemption (Sum of Rows 2-11)	108,410,000
Row 25	Interest Payments made July 1, 2002 through July 1, 2010 (Row 22)	88,180,589
Row 26	Aggregate First Lien Debt Service remaining to be paid as of June 30, 2002 assuming redemption on July 1, 2010 (Sum of Rows 23-25)	$337,535,589
Row 27 *	Projected earnings on Debt Service Reserve Fund as of June 30, 2002	($10,893,495)
Row 28 *	Projected earnings on the Project Funds as of June 30, 2002	(2,971,333)
Row 29	Balance of the Debt Service Fund as of June 30, 2002	(15,376,012)
Row 30	Balance of the debt Service Reserve Fund as of June 30, 2002	(24,935,500)
Row 31	Subtotal (Sum of Rows 27-30)	($54,176,340)
Row 32	Amount necessary to pay or redeem the PFC Bonds at July 1, 2010 redemption date (Sum of Row 26 and Row 31)	$283,359,250

* Projected interest earnings through July 1, 2010.

Exhibit 5

Amount necessary to pay or redeem the PFC Bonds at maturity:

	Aggregate First Lien Debt Service remaining to be paid as of June 30, 2002 assuming bonds are outstanding until maturity	$363,463,549
*	Projected earnings on Debt Service Reserve Fund as of June 30, 2002	($19,864,608)
	Projected earnings on the Project Funds as of June 30, 2002	(2,971,333)
	Balance of the Debt Service Fund as of June 30, 2002	(15,376,012)
	Balance of the Debt Service Reserve Fund as of June 30, 2002	(24,935,500)
	Subtotal	($63,147,453)
	Amount necessary to pay or redeem the PFC Bonds at maturity	$300,316,097

* Projected interest earnings through July 1, 2017 (maturity).

Sources:"Final Pricing Information Book" prepared by PaineWebber, Inc., June 1999, Tab D, Pricing Results, page 15. See Exhibit 5, page 4 for projected earnings on the Project Funds as of June 30, 2002.

Exhibit 5
(Page 4 of 4)

Projected Earnings on the Project Funds as of June 30, 2002

As of:	Project Fund (A) Balance	Projected Monthly Draws	Projected Interest Earned	Project Fund (B) Balance	Projected Monthly Draws	Projected Interest Earned
7/1/02	10,997	0	74,621	68,543,848	4,441,000	304,309
8/1/02	10,997	10,997	52	64,102,848	4,441,000	323,013
9/1/02	0	0	52	59,661,848	4,441,000	302,085
10/1/02	0	0	0	55,220,848	4,829,000	281,156
11/1/02				50,391,848	4,829,000	260,228
12/1/02				45,562,848	4,829,000	237,472
1/1/03				40,733,848	4,645,000	214,715
2/1/03				36,088,848	4,645,000	191,958
3/1/03				31,443,848	4,645,000	170,069
4/1/03				26,798,848	3,033,000	148,179
5/1/03				23,765,848	3,033,000	126,290
6/1/03				20,732,848	3,033,000	111,997
7/1/03				17,699,848	3,002,000	97,704
8/1/03				14,697,848	3,002,000	36,875
9/1/03				11,695,848	3,002,000	30,621
10/1/03				8,693,848	3,002,000	24,366
11/1/03				5,691,848	3,002,000	18,112
12/1/03				2,689,848	2,689,848	11,858
1/1/04				0		5,604
2/1/04						
3/1/04						

Total Projected Earnings on Project Funds as of June 30, 2002:	$74,724	$2,896,609
Total for Both Project Funds:	$2,971,333	

Sources: "Investment Held" report dated June 26, 2002; Capital Cash Flow Projections dated June 27, 2002; "Letter Agreement with Respect to Master Repurchase Agreement and Custodial Undertaking in Connection with Master Repurchase Agreement" between Lehman Brothers, Inc.; Massachusetts Port Authority and The Bank of New York, as Trustee.